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Approved For Release 1999/09/10 : CIA-RDP82-00283R000100100030-3

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ECONOMIC INTELLIGENCE COMMITTEE

Control No. 487159 EIC -M-72 5 June 1958

Minutes of Meeting Held in Room 1121, Temporary "M" Building 26th and Constitution Avenue, Northwest

5 June 1958

PRESENT:

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Dr. Otto E. Guthe, CIA, Chairman

CIA, Vice Chairman

Colonel Robert M. Brewer, Department of the Army

Mr. Earl W. Coxe, Department of the Army

Mr. Bennett V. S. Davis, Department of the Navy

Mr. John W. Easton, Joint Staff (of JCS)

Mr. J. Bruce Hamilton, Department of State

Mr. Kingsley W. Hamilton, Department of the Air Force

Mr. Charles E. Grim, Department of Commerce Mr. Clarence Purves, Department of Agriculture

Mr. Frank H. Whitehouse, Office of the Secretary of Defense

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Executive Secretary

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APPROVAL OF MINUTES:

The Minutes of the EIC meeting of 15 May 1958 were approved.

ANNOUNCEMENTS BY THE CHAIRMAN:

The Chairman announced that formal representation of the Department of Health, Education, and Welfare on the EIC had been terminated at their request as of the 26th of May; however, HEW is willing to be consulted on an ad hoc basis. Any communications should be addressed to Mrs. Gertrude Gates, Coordinating Officer for International Relations, HEW.

W Present during part of meeting.

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- 3. The Chairman announced that Colonel Joseph C. Brewer, Air Force Member of the EIC, had been reassigned. Colonel Brewer was commended for the fine job he had done while serving on the EIC, especially in developing a close working relationship between the Air Force and the other members of the intelligence community.
- 4. The Chairman stated that DCID 3/1, "Production and Coordination of Foreign Economic Intelligence," will be placed on an early IAC agenda.

REVIEW OF ACTIVITIES OF SUBCOMMITTEE ON POPULATION AND MANPOWER:

- 25X1A9a Discussion: The Chairman of the Subcommittee on Population and Manpower, control briefly on the Subcommittee's activities in the past. commented The SC has met relatively infrequently, but has maintained close liaison among its members. Principal activities have included: (a) the consideration of the advantages of an exchange with USSR experts on census procedures; (b) discussion of the various aspects of population and labor force data from Soviet publications; (c) review of proposed external research projects and provision of policy guidance to the Census contract project on foreign manpower; (d) consideration of substantive papers and research techniques and methodology; (e) discussion of agreed basic statistics; and (f) review of research and collection deficiencies and the status of agency research programs in the SC's field.
- 6. Action: The Chairman complimented the Chairman of the Subcommittee for his contribution to this field of research, stating that had served as a member of the first interagency group even before the EIC was established. Dr. Guthe stated that this Subcommittee has done an extremely good job in preventing duplication of effort in this field and in giving guidance to the Census Bureau. The Chairman suggested that the new PNEIOs be used as a basis for revising the research and collection deficiencies.
- 7. The Chairman noted impending retirment and called attention to CIA's nomination of to fill the Chairmanship (EIC-D-300).

REVIEW OF ACTIVITIES OF SUBCOMMITTEE ON TRANSPORTATION:

8. Discussion: The Chairman of the Subcommittee on Transportation, Mr. Earl W. Coxe, commented on the activities

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of the Subcommittee, stating that it had been an active committee, meeting six times so far in FY-58. During the past year and a half, principal emphasis in the SC work has been directed toward (a) assisting the IAC Ad Hoc Committee on Exchanges in the evaluation of proposed delegation exchanges; (b) review of research and collection deficiencies in the transportation intelligence and the agency research programs related thereto, including those sections of the NIS production program relating to transportation; (c) development of uniform research techniques for determining rail, port, inland waterway and highway capabilities; (d) review of substantive papers; (e) maintenance of close liaison and coordination of research programs; and (f) review of external research projects proposed in the field of transportation.

9. Action: The Chairman stated that the Subcommittee should be commended for their very fine work, stating that members of this Subcommittee have displayed an eagerness to grapple with and resolve intelligence problems within its field of responsibility. The Subcommittee was asked to review its priority research deficiencies in the light of the new PNEIOs.

CONSIDERATION OF EIC-P-8, "WSEG STUDY ON SOVIET MILITARY TRANSPORTATION CAPABILITY":

- 10. Discussion: Background material on this item (EIC-D-301) was distributed to the members at the meeting. The Chairman summarized briefly the history of EIC-P-8, "WSEG Study on Soviet Military Transportation Capability" and reported to the members the substance of the memorandum from the Director of WSEG to the DCI, which indicates that WSEG no longer has a requirement for this study, the earlier draft report having filled their needs.
- 11. Action: The EIC noted EIC-D-301 and agreed that the study should be completed by the TCEG and published as an Army, ACSI, Intelligence Report, showing participating agency concurrences or reservations.

CONSIDERATION OF REVISION OF EIC-R-5, "THE ECONOMIC IMPORTANCE OF THE RESOURCES OF SELECTED AREAS TO THE US AND OTHER FREE WORLD COUNTRIES":

12. Discussion: The Chairman stated that the question of updating ETC-R-5, "The Economic Importance of the Resources of Selected Areas to the US and Other Free World Countries", had been placed on the EIC Agenda at the request of the Department of the Army representatives. All agencies having an interest in this updating were invited to participate in the discussion of this subject.

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13. Action: It was agreed that such a study, while useful, was not essential and that revision of the study should not be undertaken.

PROPOSED NEW CHAIRMAN FOR THE EIC SUBCOMMITTEE ON ELECTRONICS AND TELECOMMUNICATIONS: (EIC-D-291)

- 14. <u>Discussion:</u> The Chairman called attention to the fact that the chairmanship of the Subcommittee on Electronics and Telecommunications would be vacated as of 1 August 1958, by the transfer of Major Albert E. Zellefrow.
- 15. Action: The EIC representatives approved the appointment of Chief, Electronic Equipment Branch, Office of Research and Reports, CIA, for the Chairman of this Sub-Committee, effective 1 July 1958.

REVISED PROCEDURE FOR EIC REVIEW OF EXTERNAL RESEARCH PROJECTS OVER \$5,000 (EIC-D-299):

- 16. Discussion: The proposed revised procedure for EIC review of external research, which is designed to minimize the long period of time required for EIC review was discussed. The Navy representative proposed that, when copies of the project outline and the findings of the Secretariat and ERS are submitted to the appropriate EIC Subcommittee for review, information copies be sent to the EIC members.
- 17. Action: The proposed revised procedure for the review of external research contracts, incorporating the suggestion made by the Navy representative, was adopted.

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Executive Secretary